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Farm Broadcasters Letter



Letter No. 2204

March 14, 1985

FAMILY FARM DEBT/ASSET RATIOS

The extent to which farmers face financial problems can be gauged by changes in their asset values, debt commitments and farm cash income positions. U.S. Department of Agriculture economists summarized the distribution of family farms by debt/asset ratio as of Jan. 1985 in a report released by the Department. Debt/asset ratio means debt as a percentage of assets. There is a total of 679,000 family-size farms, and 450,000 of these have no apparent financial problems. Their debt/asset ratios are under 40 pct. Farms with serious financial problems with debt/asset ratios of 40-70 pct., total 136,000, that's 20 pct. of the total. Farms with extreme financial problems with debt/asset ratios of 70-100 pct., total 50,000 or 7.4 pct. of the total family-size farms. Farms considered technically insolvent with debt/asset ratios of over 100 pct. total 43,000, or 6.3 pct. of family-size farms. For this summary, family-size farms were those with \$50,000 to \$500,000 in sales.

EMERGENCY LOANS FOR N.Y.

Sec'y of Agriculture John Block named 13 counties in New York as eligible for Farmers Home Administration emergency loans because of losses due to adverse weather. Also eligible are 28 counties contiguous to one or more of the 13 primary counties. Farmers in those counties have eight months in which to apply for the loans to help cover part of their actual losses.

EXPORT FORECAST REDUCED

U.S. agricultural exports in fiscal 1985 are forecast at \$34.5 billion, down \$1 billion from the Feb. 20 estimate, and 9 pct. below fiscal 1984's \$38.0 billion. The U.S. Department of Agriculture now projects export volume at 142.5 million tons, 3 million below the Feb. forecast and marginally lower than last year's 143.6 million. Contributing to the reduced forecast are sluggish world demand for soybeans, lagging wheat sales, and a continued shift away from U.S. corn in major markets. These developments stem from record foreign production of most commodities, the continued strength of the U.S. dollar against foreign currencies, and continued slow economic growth in some major foreign markets.

BLENDED CREDIT SALE BAN CONTINUES

The ban imposed Feb. 26 by the U.S. Department of Agriculture on export sales under the blended credit program is still in place, according to Under Secretary Daniel G. Amstutz. USDA suspended approval of all sales registrations under the program as a result of a U.S. District Court ruling that blended credit shipments are subject to the application of U.S. cargo preference laws, requiring in general that 50 pct. of the cargo be carried in U.S. flag ships. The suspension will be continued indefinitely.

USSR GRAIN
SIT. AND
OUTLOOK

Soviet grain imports now are expected to reach 52 million tons in July-June 1984/85, exceeding the previous record of 46 million tons set in 1981/82, according to the U.S. Department of Agriculture. Wheat imports are projected to be record large, and coarse grain imports near record. Soviet grain purchases from the U.S. so far during the second year of the new Long Term Agreement total a record 15.6 million tons. Corn purchases at 12.8 million tons have already surpassed the high levels of the late 1970's.

CROP PROD.
HIGHLIGHTS

The highlights of the U.S. Department of Agriculture's March 11 crop production report are as follows: Citrus production is forecast at 10.2 million tons, fractionally below Feb. 1 and 3 pct. less than last season. Orange production is forecast at 160 million boxes, one pct. less than Feb. 1 and 6 pct. below the 1983/84 season. Winter potato production is forecast at 2.69 million cwt, down 6 pct. from Feb. 1, but 2 pct. above last year. Spring potatoes are planted on an estimated 90.9 thousand acres, a gain of 3 pct. from last year and 11 pct. above 1983. (For more statistical information, call 202-447-2127.)

WORLD
COTTON
SITUATION

According to the U.S. Department of Agriculture, the following is the world cotton situation: U.S. cotton supply and use unchanged. Exports favorable during the first half of the season, but sales for export weakened in February. U.S. cotton faces stiff price competition in international markets. Chinese cotton crop estimate increased to a record 27.9 million bales. Pakistan's cotton crop estimate raised to a record 4.5 million bales.

WORLD
WHEAT
PRODUCTION

The world wheat production for 1984/85 is estimated at a record 516.0 million tons, up 2.5 million or less than 1 pct. from last month and 5 pct. above last year, according to a U.S. Department of Agriculture report. Important changes from a month ago include the following: In China, production is estimated at a record 87.7 million tons, up 2.2 million or 3 pct. from last month and up 8 pct. from last year. Wheat production in the European Community is estimated at a record 76.4 million tons, up 400 thousand or less than 1 pct. from last month and 29 pct. above last year. Eastern Europe production is estimated at a record 41.8 million tons, down 400 thousand or 1 pct. from last month, but up 18 pct. from last year.

WORLD COARSE
GRAIN PROD.

The world coarse grain production for 1984/85 is estimated by the U.S. Department of Agriculture at a record 797.1 million tons, up 200 thousand or less than 1 pct. from last month and 16 pct. above last year. Some important changes include: The European Community coarse grain production is estimated at a record 74.8 million tons, up 1.4 million or 2 pct. from last month and up 17 pct. from last year. Eastern European production is estimated at a record 72.7 million tons, up 8 pct. from last year. China's production is estimated at a record 95.3 million tons, down 2.2 million or 2 pct. from last month, but up 4 pct. from last year.

WORLD GRAIN
SITUATION
AND OUTLOOK

World grain trade is basically unchanged as somewhat higher forecasts for coarse grains and rice are offset by reduced prospects for wheat, according to the U.S. Department of Agriculture. The world grain situation continues to be dominated by abundant supplies in most of the major exporting and importing countries and depressed prices as a result of vigorous competition. The world wheat trade is forecast at 106 million tons, down 1 million tons from last month.

FROM OUR
TELEVISION
SERVICE

"Ag Journalist's Conference - Farm Bill"...Secretary of Agri. John Block explores the current plight of the farmer at the recent Agricultural Journalist's Conference held at the U.S. Department of Agriculture. DeBoria Janifer interviews. (336)

"National Commission on Ag Trade"...U.S. agricultural trade and export policy could be in line for changes, once a new congressional commission reports its findings next year. Steven McCoy, associate director for this commission talks about its objectives. DeBoria Janifer interviews. (337)

"Reviewing U.S. Ag Trade Policy"...Commission associate director Steven McCoy continues his discussion on the new "National Commission on Agricultural Trade and Export Policy" and the issues it will address. DeBoria Janifer interviews. (338)

"Witchweed Research"...USDA weed scientist Dr. Robert Eplee discusses the eradication efforts underway in the Carolinas to fight witchweed, a worldwide crop pest of corn, sorghum, sugarcane and rice. DeBoria Janifer interviews. (339)

"1985 Imports"...USDA economist Charles Goode focuses on factors contributing to the increase in agricultural imports in 1984. Vic Powell interviews. (340)

DEBT
RESTRUCTURING

More financially stressed farmers will be able to qualify for debt restructuring assistance under changes effective March 13, according to Frank W. Naylor, Jr., Under Sec'y of Agriculture for Small Community and Rural Development. The changes reduce by 10 pct. the cash flow requirements for a restructured loan to be guaranteed by the Farmers Home Administration.

END OF FCIC
DIRECT
INSURANCE?

The Federal Crop Insurance Corporation is considering the feasibility of providing crop insurance solely through commercial reinsured companies, according to a U.S. Department of Agriculture report. A notice of pre-rulemaking is in the Mar. 12 Federal Register, marking the beginning of a 30-day comment period. A final decision will not be made until at least June 15. Under the proposal being considered, all future policies would be sold through reinsured companies, and current policies on federal paper would be transferred to commercial reinsured companies. This action is being considered to make more efficient use of taxpayer dollars, according to FCIC's Manager, Merritt W. Sprague.

WORLD PROD.-
OILSEEDS

The world production of oilseeds for 1984/85 is estimated by the U.S. Department of Agriculture at a record 186.5 million tons, up 2.5 million or 1 pct. from a month ago and up 12 pct. from 1983/84. World production for soybeans is estimated at 89.7 million tons, up 200 thousand or less than 1 pct. from last month and up 9 pct. from last year. World production for cottonseed is estimated at a record 34.1 million tons, up 1.1 million or 3 pct. from last month and up 25 pct. from last year.

USDA CONTRACT
TO TUSKEGEE

The U.S. Department of Agriculture has awarded a contract to Tuskegee Institute, Tuskegee, Ala., to provide intensive training and management assistance for 100 small acreage farmers in that state. The 18-month project will provide the farmers training and assistance to enhance their abilities to operate farming enterprises independently, and produce income necessary to service debt, maintain farm operations and provide reasonable standards of living.

OFF MIKE

Sad news to start the column this week. We've learned that Cork McHargue (WTHI-AM-TV, Terre Haute, IN) died of a heart attack, March 8. It happened in Spain shortly after a tour group Cork and his wife were leading arrived at the hotel from the airport ... Max Stewart (WSMI, Litchfield, IL) has a new assistant. She is Evelyn Malan, and she joined Max on March 1. Incidentally, Max also received the Illinois Pork Producers' "Communicator of the Year" award last month. Our congratulations! ... Speaking of last month, in an issue of this column about George Stevens (WDAF, Kansas City, MO) having good luck "...filling up a bus for a trip to Europe"(or words to that effect). Naturally we got a call, again from sharp-eyed Jim Mills (NAFB Sales/Mktg Dir, Herndon, VA). His only comment was, "Bus to Europe? I want to see that bus!" We happened to mention this to Mark Vail (Kansas Ag Net, Topeka), and he suggested that I probably should have pointed out that "bus" was short for "Columbus." I don't imagine Jim would buy that, though. Interesting enough Jim called again a few days later, waving a white flag. His latest issue of the newsletter had arrived...blank! Now, we wouldn't do that to a sharp-eyed reader...would we? ... Incidentally, the reason we were talking to Mark was that he had called to alert us to an error in CHATS. Inadvertently, he identified me as "Acting Chief" of USDA radio and television and didn't catch the error before the newsletter went to press, and he wanted me to know he had tried. Now, that's an honest mistake (just like the bus to Europe) ... Dave Koffee (WIRE/Network Indiana, Indianapolis) is leaving that operation to become program director at WHO, Des Moines. His last day in Indianapolis is March 15...first day in Des Moines, March 18. Alan Furst of the operation is taking applications to fill Dave's farm broadcaster position. You can contact him at 317-927-4200.

FROM OUR RADIO
SERVICE

AGRICULTURE USA #1450...(Weekly 13 min. documentary) Suicides, depression and emotional stress are all words being used to describe what's happening in rural America today. In this, the second of two programs Gary Crawford attempts to explain why many farmers are suffering emotional problems.

AGRITAPE/FARM PROGRAM REPORT #1439...(Weekly reel of news features) USDA news highlights; The farm economic crisis, new figures; Teenage drinking in rural areas; The ultimate greenhouse; Crop insurance.

CONSUMER TIME #932...(Weekly reel of five 2½-3 min. features) Spring lawn care; Home lawn care frenzy; Pros & cons of watering the lawn; Zoysia grass seed; Kentucky blue, tall fescue, rye and fescue.

USDA RADIO NEWS SERVICE...Fri, Mar. 22, Livestock slaughter, Hogs & pigs, Cattle on feed, cold storage; Mon, Mar. 25, Vegetables, wool & mohair; Tues, Mar. 26, Crop and weather update; Thurs, Mar. 28, Peanut stocks and processing; Fri, Mar. 29, Agricultural prices. Dial the USDA National News Lines 202/488-8358 or 8359. All material changed at 5 p.m. EST each working day.

Jim Johnson

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Radio and Television Division